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U.S. Probed Israeli Link With Uranium Leaks

By John J. Fialka

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A Pennsylvania company that has been suspected as the source of bomb-grade uranium sent to Israel was viewed as a "grave" security concern to U.S. officials in the early 1960s because of the presence of Israeli scientists at the facility and a "general apathy" toward security measures.

The president of the company, Zalman M. Shapiro, was the subject of a 1968 FBI investigation which concluded that he had "very close ties with Israel" and was involved "in a highly organized effort on the part of Israel in the U.S. to obtain substantial technical and financial assistance."

The security problems posed by the company, called the Nuclear Materials and Equipment Corp., are described in more than 3,000 documents released last week by the Department of Energy in response to requests for the material under the Freedom of Information Act.

The documents add further detail to a portrait of repeated investigations and unanswered questions that have marked the NUMEC case since 1965, when investigators of the Atomic Energy Commission discovered that 206 pounds of highly enriched uranium could not be accounted for by any known process at the plant, which is located at Apollo, Pa.

THE TRAIL OF INQUIRIES into problems at the plant, which processed nuclear submarine fuel and metals for various U.S. weapons programs, is still continuing in the form of a second, ongoing investigation by the FBI.

Last year, according to the documents, the FBI asked the Energy Research and Development Administration "whether enriched uranium, if such can be obtained from the Israelis, could be traced to material from the NUMEC facility during the 1963-1965 time frame."

At about the same time, according

to the documents, ERDA experts were preparing a still secret report that "indicated the number of nuclear weapons that possibly could have been made if the material had been diverted."

The officials who have examined the case include at least three former attorneys general, Ramsey Clark, John Mitchell and Edward Levi. Several powerful figures within the U.S. intelligence community, including former CIA Director Richard Helms and Adm. Hyman Rickover, are known to have pressed investigators to take a closer look at NUMEC.

Nevertheless, according to one high official who played a role in reopening the case during the Ford administration, "The trail, if there was one, is terribly cold. You could look at all the documents and conclude, yes, something probably happened. But the question was whether you could do anything about it, and the answer there is probably not."

BETWEEN 1957 — when NUMEC was founded by Shapiro and a group of other veterans of the U.S. nuclear weapons program — and 1966, the company developed a number of foreign ties, including two foreign subsidiaries, one NUMINCO, partly owned by French interests, and another, ISORAD, half owned by the Israeli Atomic Energy Commission.

During the early 1960s, according to the documents, U.S. AEC inspectors became increasingly nervous about the presence of several foreign scientists working in or near NUMEC buildings that housed top-secret weapons programs, including an Israeli metallurgist and two Argentine chemists who worked in a facility that processed plutonium, another weapons-grade material.

There were also repeated visits to the facility by Ephraim Lahav, then counselor on scientific matters to the Israeli embassy in Washington. The activities of Lahav were, according to the documents, the subject of at least one FBI investigative report, which is still classified.

At the time, according to the documents, NUMEC had "approximately 2,400 classified documents" and "files, including 169 'micro-cards' containing descriptions of secret government research and development

Yet, according to several security reports prepared during the period, control over the documents, visitors and "alien employees" was lax. "There are no barriers to prevent un-cleared individuals from having access to such classified information," stated one report.

The plant, according to one report, had "become a matter of grave concern to the (AEC's) Division of Security." A major problem, according to the report, written in December 1961, was "a general apathy toward security which has permeated the entire NUMEC organization. Though Mr. Shapiro, the president and general manager, has stated that he wants a good program, there is little evidence of positive action by management to establish one."

The "only tangible evidence" of the company's promise of tightened security, the report adds, was the creation of a new job, "plant security officer."

"Two employees have had this assignment during the past year. Unfortunately in both instances these individuals were assigned other duties which consumed the majority of their time and neither has had any experience in the field of security."

ALTHOUGH RICKOVER, head of the nuclear Navy, instructed an aide to write Shapiro a letter in 1962 which warned that "failure to comply with security regulations may be punishable" as a violation of the Atomic Energy Act and by various "espionage laws," the company continued to receive government contracts and continued to experience security and accounting problems.

During 1962 an incident involving damage to NUMEC machinery was declared by one AEC inspector to be the result of "either gross negligence or sabotage." During the same period several locked compartments at the plant were found to be unlocked and one lock "disappeared."

By 1968, when a team of 12 top AEC investigators arrived at the plant to interview former employees and to probe the plant's dealings with overseas firms, NUMEC records showed the plant had exported more than 4.5 tons of highly enriched uranium under a security system that was "largely based on the as-